

2
UNITED PRESS INTERNATIONAL
21 September 1984

REWALD
HONOLULU

The CIA planned to kill a former Honolulu investment counselor whose company provided cover for some of the agency's most sensitive and potentially embarrassing operations, ABC News reported.

ABC reported Thursday that the investment firm of Bishop, Baldwin, Rewald, Dillingham and Wong was involved in secret arms sales to Taiwan, Syria and India for the CIA and promoted financial panic in Hong Kong to encourage the flow of money to the United States.

The defunct firm was headed by Ronald Rewald, 41, who faces 100 federal counts for allegedly bilking 400 investors out of \$22 million. He has maintained he was a covert agent for the CIA. ABC said it has evidence to support the claim.

Rewald told ABC News he initially was skeptical of reports the CIA was trying to kill him.

"At first I didn't believe it," Rewald said. "I thought it was total nonsense. It took a lot of convincing, a lot of evidence and a lot of the facts to be checked out before I recognized that it was, in fact, what was going on."

Scott Barnes, who ABC said has an extensive intelligence background, got a job in November for one month in the Honolulu prison where Rewald was being held, ABC reported.

Barnes told ABC the CIA put him into the prison to find out who Rewald was talking to and what he was saying. Barnes said he also was to check on Rewald's mental and emotional status.

Barnes told ABC he met with his CIA contact later at a Waikiki hotel and the contact told him Rewald had to be killed.

"He was a company problem," Barnes said. "He no longer was an asset but a liability."

Barnes told ABC he quit the assignment and left Hawaii.

ABC reported lawyer Brent Carruth, involved in another CIA-related case, said the story did not surprise him.

Carruth represents Richard Craig Smith, a Washington state man accused of selling the names of six U.S. intelligence agents to the Soviet Union for \$11,000.

"I was told in no uncertain terms that they would take any steps that were necessary to protect a particular agent and that they were going to cover people," he said. "Once that was done, then they were going to go after Ron Rewald, not before."

Continued

2.

ABC said the CIA denied it tried to kill Rewald and would not say whether it tried to buy off investors. Many investors have filed lawsuits against the CIA hoping to recoup the money they lost in the Rewald firm.

Investor Ted Frigard, who lost \$287,000, told ABC the government offered to give him \$350,000 in unregistered municipal bonds if he would drop his lawsuit.

"Then as we got up to leave, the man said, 'You know, if you become too much of a pain in the ... they will shoot you through the heart,'" Frigard said.

Frigard told ABC News the government never came up with the money and he is continuing his lawsuit.

The report was the result of a six-month investigation by ABC.